

*Post-Soviet Union Struggles to Redefine Socialism:
Cuba's Struggle for Self-sufficiency and Sustainable Development*

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Fall 1998

Abstract

This case, set in 1998, depicts a Cuban economy that suffers from a food crisis, where the population's guaranteed calorie intake has decreased from 3,000 to 1,700 a day. Faced with an impending political crisis the Cuban government has decided to call a council of different groups of society to try to solve this problem and several student organizations have been asked to participate. In anticipation of this meeting the student organizations have called a preliminary meeting in order to formulate a cohesive student perspective, so they can present a unified proposal to the Cuban government officials. This case raises issues of sustainable development, national self-sufficiency, and post-Cold War redefinitions of socialism.

Introduction

Cuba is a small island situated in the northern part of the Caribbean Sea. It is a densely populated country of 10 million, with a variety of ethnic backgrounds, such as European, African, and Asian. Cuba gained independence from Spain in 1898, only to be controlled by the US until 1934, and suffer under the repressive dictatorships of Gerardo Machado and Fulgencio Batista. In 1959 Fidel Castro used guerrilla warfare to lead a socialist revolution that overthrew Batista's regime. Once in power, Castro instituted many public policies aimed at leveling out the inequalities that had existed in society. Agrarian reform consisted of land redistribution and the expropriation of 10,000 medium-sized farms into state ownership. Free education was provided for everyone and access to higher education was increased. Cuba now has the lowest illiteracy rate in Latin America, and though it only has 2% of Latin America's population it comprises 11% of its scientists. Castro put into effect a free national health care system. Castro also strove to eliminate discrimination against women and certain racial minorities, such as blacks and mulattos. For many years Cuba's population enjoyed one of the highest qualities of life and social welfare systems in Latin America, but recently the country has faced some serious economic problems.

Cuba's tropical location makes the island ideal for the cultivation of sugarcane. Before and after the revolution of 1959, one fourth of the labor force was used in sugarcane cultivation; sugar took up one half of the cultivated land, and comprised 80% of Cuba's exports. Cuba, therefore, has a large number of rural wage laborers, or *guajiros*. Other agricultural products include tobacco, cigars, coffee, cocoa, rice, and livestock but the Cuban economy is largely dependent upon the world sugar trade. Cuba was also dependent on trade with the former Soviet bloc, as a buyer of sugar and as a supplier of imports, technology, and agricultural products. Cuba conducted 85% of its trade with the Soviet bloc and had eight million dollars in imports, many of which were on credit. More than 90% of fertilizers and pesticides were imported from abroad and possibly as much as 57% of the total calories consumed by the population came from foreign suppliers. Since the fall of the Soviet bloc in 1989 and with the persistence of the US trade embargo, Cuba has fallen into a food crisis, where the population is not receiving enough food and nutrients.

Cuba is desperately trying to find a solution to the food shortages and the government has experimented with several different options. One strategy is to pursue a plan to make the country self-sufficient and break its dependency on exports and imports. This can be done with the Food Program, which is a centrally planned system of state run farms. These large farms are based on the "Classical Model" proposed by Soviet advisors, that requires the use of heavy machinery, agrochemicals, imported technology and inputs, and is highly productive on a large scale. These farms seek to produce a variety of different crops that can feed the population and they also adhere to traditional socialist ideology. Another option is organic farming, which entails the privatization of some of the state farms and their conversion into cooperative systems that link people to the land. Small organic farming is a more human endeavor than the de-skilled work process of large-scale industrial farming, and it is very environmentally efficient because of the extensive recycling of waste and use of biotechnology. The third option involves privatization and attracting more foreign investment in the country, by way of tourism, mining, and agriculture. This capitalist option would also involve the diversification of exports.

Role Play

The setting for this preliminary meeting is the student union of the University of Havana, where three student groups have gathered to discuss the future of the Cuban economy, environment, and agriculture. Carlos Rodriguez, a political science major from a rural area outside of Guantánamo, represents the Organización de Jóvenes Socialistas (OJS). Maribel Guzman, a bio-chem major from outside of Camaguey, is a member of the student support group for the Cuban Association for Organic Farming (ACAO). Armando Sosa, an economics major from Havana, is the representative of the Grupo por la Renovación Económica de Cuba (GREC). The students are seated in a circle and each representative makes a statement for what kinds of reforms they would like to see implemented.

Carlos Rodriguez: OJS's support of the Food Program

I am the son of a *campesino* from a rural area outside of Guantánamo and I have worked the land with my parents ever since I was a young boy. My parents have instilled in me deep socialist values and a passionate commitment to furthering our revolutionary path. The Guantánamo Base, in close proximity to my home, has served as a stark reminder of the economic imperialism that grows out of a capitalist system. The US trade embargo created a state of global economic isolation, which was intensified by the fall of the soviet bloc in 1989. Since then it has become increasingly difficult to uphold internal socialist solidarity and our country's socialist economic objectives. We must devise a way to solve the economic problems that our country faces, while staying true to our socialist cause.

It is our group's belief that a centrally planned economy, geared towards self-sufficiency and an end to dependency on imports promises to remedy our food crisis. For many years Cuba has been a single crop exporter, and the country's economy has been subject to the price fluctuations of sugarcane on the world market. We must create an economy that can survive on its own. The Food Program that we promote revolves around a system of government run farms that attempt to increase and improve the production of vegetables, rice, tubers, citrus fruits, plantains, dairy and cattle products, to be rapidly distributed to the population. Some of the techniques used to achieve these ends include irrigation, drainage, refrigeration, and the construction of dams to enhance fish production. Since 1987, 5,000 *caballerías* of sugarcane lands have been allocated to the cultivation of food for domestic consumption, and the Food Program has successfully increased the output of vegetables and tubers.

This strategy also requires that the Cuban people collectively participate in agricultural labor. Although the rural sector is productive, the Food Program requires a transfer of labor to agriculture, which includes: the voluntary extension of military service, a contingent of women who will sign two year contracts as farm laborers, and the mobilization of students in conjunction with the Youth Labor Army. The inclusion of many parts of society in the production process exemplifies how the Food Program is synonymous with socialist ideals, and a collective effort offers the best opportunity to build a self-sufficient economy for Cuba. People will feel tied to the country and will be able to see the immediate effects of their labor. We may be facing economic problems in Cuba, but privatization would debilitate our economy to the point where nothing would separate us from the Third World countries of Latin America that are exploited in the global capitalist economy. The son of a campesino, like me, would never have the opportunity to receive a university education or health care. We must put our faith in the government and in its Food Program because it was created to liberate the people from dependency on foreign capital. We have a history of dependency, beginning with Spain's colonization of this island, followed by the hegemony of the US, and later the reliance on the Soviet Bloc. My grandfather has told me stories of the days when many Americans came to Cuba to gamble in mafia run casinos and hotels and attend sex shows. Let's not regress to those days of exploitative tourism! We need to stick together and improve our food production for our own sustenance and remain true to socialism. Viva la revolución!

Maribel Guzman: Cuban Organization for Organic Farming

I am the daughter of campesinos who used to work on the large state owned farms but who were compelled to make the transition to organic farming because the supply of new machines and chemicals ended with the fall of the Soviet bloc. Like Carlos, I support the socialist ideals of the revolution, but I envision a different kind of self-sufficiency for the country. Our country faces a food crisis that we must resolve by boosting domestic food production, and organic farming is the most feasible solution. My family's experience, having worked on both centrally planned farms and private organic cooperatives, has been that the latter proves to be more productive and more environmentally safe. On the large state-owned farms my parents were exposed to toxins and chemicals that caused them health problems. As a young woman I can combine my rural agricultural experience with my university-level training in biotechnology to contribute to organic farming by producing cutting-edge technology, in artisan biotechnology centers located on agricultural cooperatives, for local use.

The organic farming model promotes ecological sustainable production by "replacing the dependence on heavy farm machinery and chemical inputs with animal traction, crop and pasture rotation, soil conservation, organic soil inputs, biological pest control, bio-fertilizers, bio-pesticides". Organic farmers have collected locally occurring strains of microorganisms that perform useful functions in natural ecosystems, which are then reproduced massively to be used as bio-pesticides and fertilizers in agro-ecosystems. For example, ants are placed in the stems of fruits and vegetables, where their nests can protect these foods from pests, such as the sweet potato weevil. Waste recycling is also an important part of organic farming. Worms are used in the composting process and waste products are converted into animal food, energy, and fertilizer. This type of biotechnology is environmentally sound and debunks the belief that biotechnology has to be a multi-million dollar enterprise, relying on expensive infrastructure and super-specialized scientists. We must begin to recognize our responsibility as global citizens and employ methods that are good for the environment. This method is not only better for the environment, but it has proven to be more productive. In recent years the productivity of large state farms has plummeted but the smaller independent farmers have continuously turned our successful crops. The large state farms "degrade the basis for continued

productivity, through the erosion, compaction and salinization of soil, and the development of pesticide resistance among insect pests and crop disease."

Organic farming also includes a labor process called "vinculando el hombre con la tierra" (linking people with the land). The intricate procedure involved in organic farming requires farmers to be familiar with their land. On large farms teams of workers would perform only one part of the cultivation process on different plots of land, which was alienating because they never saw the fruits of their labor and they never suffered for doing something badly. Organic farming is an effort to create a more intimate relationship between farmers and the land by tying financial incentives to productivity. The shift to organic farming involves privatizing the large state owned farms and converting them into small worker-owned enterprises or cooperatives called Basic Units of Cooperative Production (UBPCs). Farmers are owners of what they produce and they sell their products in the newly reopened farmer's markets.

Economic market reforms that would invite foreign investment threaten our goal of sustainable development and sacrifices too much of our socialist cause. Other Latin American countries that have allowed foreign companies to move in and invest in agriculture have suffered damage to their ecosystems, and these unequal partnerships have led to labor exploitation. As a woman I fear that foreign investment in Cuba might lead to women's exploitation, both in the factory and sex tourism. Cuba needs to create an economic plan that is not dependent of foreign capital, exports, or imports. The Food Program, while attempting to accomplish self-sufficiency, does not produce effectively enough to solve the food crisis, nor does it address environmental problems. It is not economically feasible because it is too ideologically based. Some privatization is necessary in order to stimulate production, but we should guard against the evils of capitalism. This privatization gives us a framework from which we can use organic farming to live in harmony with each other and the environment.

Armando Sosa: Grupo por la Renovacion Economica de Cuba

I am a graduate student in economics and development here at the University of Havana, and a native of the city. My experience is quite different from Carlos and Maribel because I do not have first hand knowledge of agricultural life. My father is a businessman involved in a joint venture with a Canadian company that exports nickel. Furthermore, I have had the opportunity to intern for the National Association of Cuban Economists, where I came to realize the seriousness of our economic situation and refine my economic philosophy. I believe that it is time to reevaluate our socialist path and recognize our existence in a global political economy. We must embrace a mixed economy where Cuba's participation in the global system will attract foreign capital without infringing upon the country's control to negotiate investment or endangering the social welfare program. By inflexibly upholding our socialist ideals and ignoring the vital need for capitalist reforms we will hinder Cuban development.

I am in favor of solving our economic crisis by attracting foreign investment, finding a solution to the hard currency debt, increasing domestic efficiency, diversifying exports, and setting a realistic exchange rate. One means to attract foreign investment is through tourism, which has become the country's second most important economic activity after sugar production. In 1993, 560,000 tourists brought \$720 million to the island, which has been made possible by the joint ventures with Spain in the hotel industry and tourist products, such as jewelry. A plan for economic renovation that includes liberalization and better relations with the U.S. would further increase joint ventures with Cuba. Our

plan for diversifying exports involves de-emphasizing sugar production and focusing on the exportation of oil, nickel, citrus fruits, bio-technical and medicinal products. This would also improve the value-added industries on the island. Cuba has patented vaccines for meningitis B, hepatitis B, and an ointment that enables real skin to grow over burns. In the early 1990's, Cuba received more than \$200 million for selling 10 million doses for its meningitis B vaccine. By diversifying exports in this manner, productivity improves in different economic sectors, causing greater domestic efficiency in the country. For instance, our focus on citrus production has led to over a 50% increase of that export. Furthermore, Cuba's denied re-entrance into the World Bank and IMF by the United States veto power has allowed us to manipulate the exchange rate, promoting inefficiencies and increasing the hard currency debt. A realistic exchange rate is one that keeps the country's export prices competitive with other nations producing the same goods, without excessively devaluing prices. A realistic exchange rate would help to expand the market for our exports, which would then reduce the hard currency debt. However, the government would still only have a limited supply of hard currency, and foreign investment would supplement what Cuba can't provide for itself.

The revenue attained from this market reform will allow for the acquisition of needed imports that can solve the food crisis but will not completely abandon socialist ideals. Cuba has maintained her sovereignty in joint venture partnerships with foreigners because shares are sold rather than entire businesses; the ideal is 51% domestic ownership and 49% foreign. We have lost the support of the Soviet bloc, which has forced us to become more economically resourceful. Now is the time to reintegrate into the world economy. Both the Food Program and organic farming are too idealistic. They attempt to solve our problems internally, ignoring the complexity of a part of a global political economy. We must renovate our economy! Reform it! Revise it! Create a new economy that will allow foreign capital that will save us from a free fall of the economy. Times are different now. Cuba is not in the same situation that it was in the past three decades. We no longer have a strong socialist ally who can support us in our revolutionary endeavor. We are facing a crucial point in our socialist struggle. Reintegrating into the world economy and sacrificing much of our ideology for the sake of survival, may be the only way we can keep a shred of socialism alive.

After each group presented its position the student union became lively with discussion as people passionately agreed or disagreed with what had been said. It is now your goal, as you role-play the parts of Carlos, Maribel, and Armando to find a compromise between the three proposals to present to the Cuban government officials. You may want to prioritize the issues and find some common connections between them before deciding which elements will formulate your unified student platform. Be sure to understand each viewpoint thoroughly so as to make an informed decision, because the future of the Cuban economy lies in your hands.

Questions

- 1) Do these strategies overlap in any ways? If so, where?
- 2) What are the problems with each proposal?
- 3) What points do not seem like they could be compromised on?
- 4) Which proposal do you think the Cuban government would most likely accept?
- 5) Keeping in mind the global political economy, which proposal is the most feasible? Least feasible?

References

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